

South Brent Community Energy Society – Case Study

South Brent Community Energy Society (SBCES) is a registered Industrial and Provident Society for the benefit of the community (BenCom) and was set up by members of the parent community organisation, Sustainable South Brent (SSB), in late 2011 to take forward a community wind turbine project which SSB had first started investigating in 2006 while an Unincorporated Association. After a number of technical studies, some of which were funded via Devon County Council under the RE4D programme and others carried out by volunteers, an application for Planning permission was submitted in early 2010 to South Hams District Council for a 27m diameter 225 kW Vestas V27 turbine at Marley Thatch at the SE corner of the Parish. Approval was granted in April 2010 with a 3 year deadline for commencement.

At this stage SSB had already carried out a process to identify the optimum legal structures for itself, for a community composting site which required a lease from Dartmoor National Park Authority and also for the wind turbine project. A study by Co-operativesUK, funded by the Centre for Sustainable Energy, recommended that SSB should become a not-for-profit company limited by guarantee with the composting site run directly by SSB while the wind turbine should be an Industrial and Provident Society for Community Benefit. This would still allow SSB to progress its aspirations to also become a charity.

For the wind turbine, this took into account the need to avoid any risk being still held by SSB while ensuring that appropriate benefits are delivered to the community. A BenCom structure also allows an asset lock on the property of the venture while funds could be raised through a community share issue and the venture should be eligible for Enterprise Investment Scheme (EIS) tax rebates.

Some free legal advice was obtained from Co-operativesUK and more substantial assistance was provided by TLT solicitors in Bristol under the Carbon Leapfrog pro-bono scheme. The IPS was established on 21 December 2011 using Co-operativesUK model rules, costing about £790 including the FSA fee and 12 months support. Accountancy work is provided by Thomas Westcott Accountants of Exeter.



The successful fund raising team on completing their target

The stated objects of the Society are “to carry on any business for the benefit of the community of South Brent in the county of Devon by the generation of renewable energy and the saving of energy through energy efficiency”. The Society rules can be downloaded from [the SBCES website](#) .

Much of 2011 and well into 2012 was spent in preparing the full business case, drafting the share issue document, investigating options for the supply of a turbine and also conducting a set of wind speed measurements at turbine hub height to give greater certainty over the earning potential at the site. Once these were in place a share offer was publically launched on 1 November 2012 with a target of £420,000 required to meet the full costs of installation and initial operating costs. The interest offered to investors was projected at 4 to 5% subject to performance. With almost £200,000 raised by the initial deadline of 18 January 2013, the offer was extended to 23rd March and succeeded in finally raising almost £430,000. This came from 189 investors (two thirds of which had a local connection), of which 48 were joint applications. The minimum shareholding was set at £200 to keep the administrative burden manageable while the maximum was £20,000 in line with the limits at the time.



The final stage of the V27 being assembled 23 August 2014

The initial ground works, using a local construction firm, were started ahead of completion of the share issue to ensure the planning conditions could be met and ready for the initial delivery date of the turbine. In the end the installation by Spectrum Energy Systems of the V27 commenced in August 2013 and first power was generated on 5 September. Power Purchase and Supply agreements with Good Energy were already in place and some income could now start to be generated. Ofgem accreditation for Feed in Tariff was granted on 19 November 2013, within the 12 month pre-accreditation period allowed to community group projects, and the last main hurdle to a viable project had been passed. Reporting processes and subsequent payments are now well established and the Society is now (June 2014) in a position to determine its first allocation of interest to investors and to the Community Energy Fund. This fund will be used to support renewable generation and energy efficiency measures in public buildings within the community. The intention is to develop long term plans with the management of these buildings to determine where support can best be delivered over the full 20 year life of the project.

Because of the small oversubscription of the share issue, it was decided to fund the installation of a 9.88 kW solar Photovoltaic array on the South Brent (Palstone Park) sports pavilion. This should also raise funds over its lifetime both to repay investors and contribute to the Community Energy Fund. This will be commissioned at the end of June 2014 but should still be eligible for the higher rate Feed in Tariff that applied in March because, as a BenCom, the Society is an eligible community group for pre-accreditation and also can claim exemption from the energy efficiency requirements that normally apply for solar PV higher tariff rates.



PV installation complete – 27 June 2014